

FISCAL NOTE

HB 120 - SB 669

March 13, 2001

SUMMARY OF BILL: : (1) Requires any behavioral health organization (BHO) or health maintenance organization (HMO) to designate a licensed physician to serve as medical director. The medical director would be responsible for all treatment decisions and policies, protocols, quality assurance programs, and utilization review decisions of a BHO or HMO; (2) Requires any BHO or HMO to exercise ordinary and reasonable care when making treatment decisions and applying treatment policies; and (3) Makes the BHO or HMO liable for damages for harm from treatment decisions. This bill would not apply to the TennCare program or to health insurance plans for state or local government employees.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Not Significant

Assumes that:

- Any increase in state expenditures to enforce the bill will be not significant.
- The bill does not apply to the TennCare Program, to the state employee health insurance plan or to any local government health insurance plan.
- Any impact will be on private health insurance plans only.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director